

Ex. 5
Email Dated 10.26.2019 –
“Houston, there is a problem.”

Alicia Holland

From: Covert, Michael
Sent: Saturday, October 26, 2019 11:36 AM
To: Beckert, Jim; Holland, Alicia; Ashley Jacobs; Inglese, Christopher; Carter, Kathy; Dawson, Gerald; Flewelling, Brian; Glover, York; Hervochon, Chris; chervochon@gmail.com; Howard, Alice G.; Lawson, Mark; McElynn, Lawrence; Passiment, Joseph; Rodman, Stewart; Sommerville, Paul; Keaveny, Thomas
Cc: christina.gwozdz@beaufort.k12.sc.us; cathy.robine@beaufort.k12.sc.us; william.smith2@beaufort.k12.sc.us; earl.campbell@beaufort.k12.sc.us; melvin.campbell@beaufort.k12.sc.us; john.dowling@beaufort.k12.sc.us; patricia.fidrych@beaufort.k12.sc.us; Richard.Geier@beaufort.k12.sc.us; joann.orischak@beaufort.k12.sc.us; david.striebinger@beaufort.k12.sc.us; rachel.wisniewski@beaufort.k12.sc.us; Rodriguez, Francisco; Cadd, David; Bayless, Kacen; Jacobs, Ashley; Keaveny, Thomas
Subject: RE: 2019 excessive taxes levied based on approved ordinance budget amounts
Importance: High

All-

It is my understanding, after looking at all of the emails and documents associated with this subject over the past week, that "Houston, there is a problem". This issue of budgeted amounts; excessive and over-taxation; levies and fees etc-- should be at the TOP of our (all elected officials especially, and those appointed as well) lists for Accountability and Transparency. Again-- these two items are the cornerstones of our democracy and are pillars of our Constitutional Republic. I see several items and would like to see these addressed in the proper place and by the proper people:

* With the 1st and 2nd Quarters completed (billing or levying of taxes) we (the County) have levied over \$155,000,000.00 against the budget of the BCSD of \$149,000,000.00 Not taken into account are the ERW (deductions) nor the growth % (increase). It was stated during the budget process, and I will restate it now.... the 114 mils has resulted in overtaxing of the citizens. The same general statement apparently can be said with County levies/ taxes. What are we doing to send this overage **BACK** to the taxpayers?

* The process of all of these calculations etc was talked about in many circles this past budget season. I was concerned then, and am even more so now about the "who, what, when and where". I believe the County Council and the School Board have the authority to set a practice in motion of exactly WHO creates these calculations and formulas. My suggestion and recommendation is that all parties agree to place this as a duty of the Office of the Auditor of Beaufort County. If there is or are any discrepancies, there is ONE office to go to-- the Auditor.

* After reviewing several emails about the addition of or removal of "a 1/10th, or one decimal place" on a levy, it appears to me that the SC Department of Revenue through the use of the word, "shall", has indicated that to be done. It also appears that from 2009 through 2018 this wasn't done. That tells me there is a pool of overtaxing happening.

* I have looked through vehicle tax emails and records from the past four years on Council. Is Beaufort County depreciating the values of EACH vehicle, EVERY year? It doesn't appear so, and that would be against every rule in Accounting....if I am not mistaken. We need clarity on that.

* For my Transparency and Communications Committee, I will be asking to schedule three County elected officials (probably the Treasurer, the Auditor and the School Board Chair) to come and make a presentation on Transparency from their own elected office.

* I spoke to the Auditor about the \$23,000,000.00 figure in one of the previous emails as an aggregate total and questioned it. I have been told that was an error and has been fixed to show the proper figure.

* I will be bringing this to the Communications and Transparency Committee for discussion, but it would seem valuable, and honestly quite sensible, if at KEY and critical times during the FY and CY, the County Auditor should meet with taxing authority bodies to discuss the millage and the value of the County/Municipality etc to make sure "everyone is reading off of the same sheet of music". These critical times seems to be, right now since the taxing bills have all gone out....middle to end of January and then again at the end of the FY. I believe this would, or could, eliminate miscommunication.

Thank you and have a GREAT weekend.

Michael E Covert
Beaufort County Councilman
7th District

From: Beckert, Jim
Sent: Thursday, October 24, 2019 5:56 PM
To: Holland, Alicia; Ashley Jacobs; Inglese, Christopher; Carter, Kathy; Covert, Michael; Dawson, Gerald; Flewelling, Brian; Glover, York; Hervochon, Chris; chervochon@gmail.com; Howard, Alice G.; Lawson, Mark; McElynn, Lawrence; Passiment, Joseph; Rodman, Stewart; Sommerville, Paul; Keaveny, Thomas
Cc: christina.gwozdz@beaufort.k12.sc.us; cathy.robine@beaufort.k12.sc.us; william.smith2@beaufort.k12.sc.us; earl.campbell@beaufort.k12.sc.us; melvin.campbell@beaufort.k12.sc.us; john.dowling@beaufort.k12.sc.us; patricia.fidrych@beaufort.k12.sc.us; Richard.Geier@beaufort.k12.sc.us; joann.orischak@beaufort.k12.sc.us; david.striebinger@beaufort.k12.sc.us; rachel.wisnefski@beaufort.k12.sc.us; Rodriguez, Francisco; Cadd, David; Bayless, Kacen
Subject: RE: 2019 excessive taxes levied based on approved ordinance budget amounts

Good evening all,

Alicia, Thank you for the clarification the \$106,217,968 has been plugged into the spreadsheets for greater accuracy. The goal from this office is greater transparency and understanding with the taxes levied to administration and the elected officials. If a number needs to be adjusted to produce a more accurate picture of the budget and tax levied, I will gladly make those adjustments to improve the process. New spreadsheets are attached

Serving as the citizens advocate for transparency in the taxation process one tax bill at a time.

Jim Beckert
Auditor Beaufort County
100 Ribaut Road, Beaufort, SC 29902
(843) 255-2500, auditor@bcgov.net
Join us at [Facebook.com/Beaufort County Auditor](https://www.facebook.com/BeaufortCountyAuditor)
[Twitter @Beaufort Auditor](#)

Note: The information in this message and/or attachments may be proprietary and/or confidential from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately, and then delete it from your computer.

From: Holland, Alicia <aholland@bcgov.net>

Sent: Thursday, October 24, 2019 12:00 PM

To: Beckert, Jim <jbeckert@bcgov.net>; Ashley Jacobs <plateye@gmail.com>; Inglese, Christopher <cinglese@bcgov.net>; Carter, Kathy <kcarter@bcgov.net>; Covert, Michael <mcovert@bcgov.net>; Dawson, Gerald <gdawson@bcgov.net>; Flewelling, Brian <brianf@bcgov.net>; Glover, York <yglover@bcgov.net>; Hervochon, Chris <chervochon@bcgov.net>; chervochon@gmail.com; Howard, Alice G. <ahoward@bcgov.net>; Lawson, Mark <markl@bcgov.net>; McElynn, Lawrence <lawrencem@bcgov.net>; Passiment, Joseph <jpassiment@bcgov.net>; Rodman, Stewart <srodman@bcgov.net>; Sommerville, Paul <psommerville@bcgov.net>; Keaveny, Thomas <tkeaveny@bcgov.net>

Cc: christina.gwozdz@beaufort.k12.sc.us; cathy.robine@beaufort.k12.sc.us; william.smith2@beaufort.k12.sc.us; earl.campbell@beaufort.k12.sc.us; melvin.campbell@beaufort.k12.sc.us; john.dowling@beaufort.k12.sc.us; patricia.fidrych@beaufort.k12.sc.us; Richard.Geier@beaufort.k12.sc.us; joann.orischak@beaufort.k12.sc.us; david.striebinger@beaufort.k12.sc.us; rachel.wisniewski@beaufort.k12.sc.us; Rodriguez, Francisco <Francisco.Rodriguez@beaufort.k12.sc.us>; Cadd, David <dacadd@bcgov.net>; Bayless, Kacen <kbayless@islandpacket.com>

Subject: RE: 2019 excessive taxes levied based on approved ordinance budget amounts

All,

In the attached Beaufort County Council Fiscal Year 2020 General Fund Budget Ordinance, page 1 lists several millage rates. I have drawn a red box around the millage rates that sum to 54.30. These millage rates are the tax rates for the Beaufort County Operations Revenues. On page 2, Section 5, COUNTY OPERATIONS REVENUES the sum of Items A. and A.1., Ad Valorem Tax Collections is \$106,217,968. Therefore, Beaufort County Council has appropriated \$106,217,968 as operating ad valorem property tax revenue to be collected for the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.

Additionally, Beaufort County participates 100% in two (2) Tax Increment Financing (TIF) districts – Hilton Head and Port Royal. During Fiscal Year 2019 (Tax Year 2018), \$2.2 million of County Operating Ad Valorem Tax Revenue collected was for purposes of the TIFs.

Therefore, if the same amount of County Operations Ad Valorem Tax Revenue is collected for purposes of the TIF districts during Fiscal Year 2020, then Beaufort County Operations Ad Valorem Tax Revenue collected will need to be at least \$108.4 million so that the Beaufort County Operating Fund receives \$106.2 million to satisfy the FY 2020 appropriation and the TIF districts receive \$2.2 million.

Thanks,
Alicia

Alicia Holland, CPA, CGMA

Assistant County Administrator, Finance
Post Office Drawer 1228
Beaufort, SC 29901-1228
(843) 255-2297 office
(843) 255-9422 fax

From: Beckert, Jim <jbeckert@bcgov.net>

Sent: Wednesday, October 23, 2019 3:01 PM

To: Jacobs, Ashley <ashley.jacobs@bcgov.net>; Inglese, Christopher <cinglese@bcgov.net>; Keaveny, Thomas <tkeaveny@bcgov.net>; Carter, Kathy <kcarter@bcgov.net>; Chris Hervochon (chervochon@gmail.com) <chervochon@gmail.com>; Covert, Michael <mcovert@bcgov.net>; Dawson, Gerald <gdawson@bcgov.net>; Flewelling, Brian <brianf@bcgov.net>; Howard, Alice G. <ahoward@bcgov.net>; Lawson, Mark <markl@bcgov.net>; McElynn, Lawrence <lawrencem@bcgov.net>; Passiment, Joseph <jpassiment@bcgov.net>; Rodman, Stewart <srodman@bcgov.net>; Sommerville, Paul <psommerville@bcgov.net>; Glover, York <yglover@bcgov.net>
 Cc: christina.gwozdz@beaufort.k12.sc.us; cathy.robine@beaufort.k12.sc.us; william.smith2@beaufort.k12.sc.us; earl.campbell@beaufort.k12.sc.us; melvin.campbell@beaufort.k12.sc.us; John Dowling (john.dowling@beaufort.k12.sc.us) <john.dowling@beaufort.k12.sc.us>; patricia.fidrych@beaufort.k12.sc.us; Richard.Geier@beaufort.k12.sc.us; JoAnn Orischak (joann.orischak@beaufort.k12.sc.us) <joann.orischak@beaufort.k12.sc.us>; david.striebinger@beaufort.k12.sc.us; rachel.wisnefski@beaufort.k12.sc.us; Rodriguez, Francisco <Francisco.Rodriguez@beaufort.k12.sc.us>; Cadd, David <dacadd@bcgov.net>; Bayless, Kacen <kbayless@islandpacket.com>

Subject: 2019 excessive taxes levied based on approved ordinance budget amounts

Good afternoon County Council,

All the 2019 tax books are open and based on council ordinance 2019/32 and 2019/33 as the Auditor I am troubled with the approved millage in the ordinances based on the ad valorem tax revenue currently levied as an expectation outlined in these ordinances. SEE CURRENT EXCESSIVE OVER TAXING ATTACHEMENT

		Millage	Revenue	Current taxes	Current Excessive
taxes					
Ordinance #	organization	approved	Approved per ORD	levied	levied as of 10-19
2019/32	Bft Co ops	54.3	\$99,175,894	\$108,660,067	\$9,484,173
2019/33	BCSD ops	114.0	\$149,733,105	\$155,151,500	\$5,418,395

CURRENT LEVIED TAXES CHARGED ABOVE APPROVED COUNTY BUDGET ORDINANCE \$14,902,868

The amount of excessive taxes will grow larger when vehicles tax bills for January 2020 to June 2020 are levied. The projected total including the numbers listed above could grows to: SEE TOTAL PROJECTED OVER TAXING ATTACHEMENT

	Total projected	
	Excessive taxes	
Bft Co ops	\$12,000,000	
BCSD ops	\$11,000,000	At council meeting on June 24, 2019 the Auditor
estimated \$12,000,000		

in over taxing would occur at 114 mills for
operations

TOTAL PROJECTED LEVIED EXCESSIVE TAXING \$23,000,000

Reading 4-9-140 Counties and school must adopt an annual budget that balances estimated revenues with estimated expenses.

Based on the millage approved in the ordinances millage rates and the approved ad valorem tax revenues for FY19-20. The current tax revenues levied as of October 2019 far exceeds the expenses of both budgets and are not balanced as required and remains unbalanced at the 96% collection rate as stated the County Treasurer.

If this is not the case or additional laws apply, please educate me.

Serving as the citizens advocate for transparency in the taxation process one tax bill at a time.

Jim Beckert
Auditor Beaufort County
100 Ribaut Road, Beaufort, SC 29902
(843) 255-2500, auditor@bcgov.net
Join us at [Facebook.com/Beaufort County Auditor](https://www.facebook.com/BeaufortCountyAuditor)
[Twitter @Beaufort Auditor](https://twitter.com/BeaufortAuditor)

Note: The Information in this message and/or attachments may be proprietary and/or confidential from disclosure. If the reader of this message is not the intended recipient, or an employee or agent responsible for delivering this message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately, and then delete it from your computer.